

Report to:	EXECUTIVE
Relevant Officer:	Alan Cavill, Director of Communications and Regeneration
Relevant Cabinet Member :	Councillor Mark Smith, Cabinet Member for Business, Enterprise and Job Creation
Date of Meeting:	12 April 2021

LEVELLING UP AND COMMUNITY RENEWAL FUND

1.0 Purpose of the report:

1.1 To summarise the main provisions of the Levelling Up Fund and Community Renewal Funds announced in the March 2021 Budget and the Council's approach to managing applications for these funds.

2.0 Recommendations:

To agree the proposed approach to managing these funds including:

2.1 In respect of the Levelling Up Fund

- a) To agree for the Council to submit one Levelling Up Fund bid by 18 June 2021 (with the final content of the bid to be delegated to the Chief Executive after consultation with the Leader of the Council and relevant Cabinet Members).
- b) To agree that subject to confirmation of the Council's eligibility, for a second bid to be submitted at a later date to be confirmed (with the final content of the bid to be delegated to the Chief Executive after consultation with the Leader of the Council and relevant Cabinet Members).
- c) To note the possibility of a cross boundary transport bid to be explored with Fylde Borough Council, Wyre Borough Council and Lancashire County Council.
- d) To consult the Town Deal Board and the local MPs on the proposed bids.
- e) To agree that the Executive will receive a report on the bid submitted.

2.2 In respect of the Community Renewal Fund

- f) To note the arrangements that have been put in place to invite submissions to enable them to be appraised and submitted by the 18 June 2021 deadline.
- g) To agree for approval of the final bid to be submitted to be delegated to the Chief Executive after consultation with the Leader of the Council and relevant Cabinet Members.

h) To agree that the Executive will receive a report on the bid submitted.

3.0 Reasons for recommendation(s):

3.1 These two new funds were launched in the Budget in March 2021. Blackpool has the opportunity to submit a bid into each fund by 18 June 2021 resulting in the need to move quickly to establish arrangements for formulating bids with the maximum chance of success. Approval to the approach is required.

3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.3 Is the recommendation in accordance with the Council's approved budget? Yes

4.0 Other alternative options to be considered:

4.1 The guidance for submission into the funds and the initial deadlines to be met are clearly set and immovable. The only options to be considered are alternative projects but a review of the most eligible and viable projects has been undertaken. Further bid(s), if eligible, will be submitted for Levelling Up Fund at a later date when further rounds have been announced.

5.0 Council priority:

5.1 The relevant Council priority is: "The economy: Maximising growth and opportunity across Blackpool".

6.0 Background information

As part of the Budget the Chancellor announced a broad package of complementary UK-wide interventions including:

- The **UK Levelling Up Fund**, which will invest in local infrastructure that has a visible impact on people and their communities and will support economic recovery. The Fund will be jointly managed by HM Treasury, the Ministry of Housing, Communities and Local Government, and the Department for Transport. This is a new approach to investing in local growth – ending siloes in Whitehall that make it difficult to take a holistic approach to the needs of local areas

<https://www.gov.uk/government/publications/levelling-up-fund-prospectus>

(see summary in Appendix 5a).

- The **UK Community Renewal Fund**, which will provide local areas across the UK with access to £220 million of additional funding as they prepare for the UK Shared Prosperity Fund due to launch in 2022. It is targeted to help to level up and create opportunity across the UK in places most in need in a manner distinct but complementary to the Levelling Up Fund, through investment in skills, enterprise and employment.

<https://www.gov.uk/government/publications/uk-community-renewal-fund-prospectus/uk-community-renewal-fund-prospectus-2021-22> (see summary in Appendix 5b)

- The **UK Community Ownership Fund**, which will empower communities to protect vital community assets in their area by providing funding to take ownership over them, in support of the social wellbeing of local communities.

<https://www.gov.uk/government/publications/community-ownership-fund/community-ownership-fund>

- The Plan for Jobs, which builds on the Department for Work and Pensions' Jobcentre Plus network, offering tailored support to help people find work, including through Youth Hubs, Restart, and Kickstart. The Plan for Jobs will support longer term recovery from the unprecedented economic impact of Covid-19.

- The **Freeports** programme, establishing national hubs for global trade and investment in every nation of the UK, promoting regeneration and job creation and creating hotbeds for innovation that will intensify the economic impact of British ports and generate increased economic activity in areas in need of regeneration across the UK.

- The **UK Infrastructure Bank**, which will provide financing support to local authority and private sector infrastructure projects to help meet UK Government objectives on climate change and regional economic growth. It will also establish an advisory function to help with the development and delivery of projects.

- The **Towns Fund**, providing £3.6 billion to drive the economic regeneration of deprived towns and deliver long-term economic and productivity growth, by renewing and reshape town centres and high streets in a way that drives growth, improves user experience, and ensures future sustainability.

LEVELLING UP FUND

6.1 The Levelling Up Fund is a capital scheme that will invest in local infrastructure that has a visible impact on people and their communities and will support economic recovery. This includes a range of high value local investment priorities, including transport schemes, urban regeneration projects and cultural assets. The Fund will be delivered through local authorities and will focus on capital investment in local infrastructure. **Appendix 5a** provides a detailed background to the Fund.

6.2 Key points

- Blackpool is in pole position as a Tier 1 area to apply in the first round.
- The Council already has some qualifying proposals worked up that failed to secure Future High Streets funding and for highways Local Pinch Point funding that has now been included within the Levelling Up Fund.
- Having been through the Town Deal process with the Town Deal Investment Plan and having established the Town Deal Board, Investment Panel and Engagement Team, we are geared up to meet the requirements regarding engagement and business case preparation including having a panel of independent appraisers to hand.
- With having two MPs constituencies in the Council area the Council potentially qualifies for two bids with a maximum of 3 projects in each up to a total value of £20m for spend by 2024 noting that the Prospectus states that the number of bids that a local authority can make will relate to the number of MPs in their area. Accordingly, local authorities can submit one bid for every MP whose constituency lies wholly within their boundary. Where an MP's constituency crosses multiple local authorities, one local authority should take responsibility as the lead bidder and local areas should work together to designate that lead bidder MPs whilst not having a power of veto, their support is part of the assessment. Blackpool South lies wholly within Blackpool. Blackpool North and Cleveleys lies within Blackpool and Wyre Borough Council.
- As Transport Authority Blackpool can also potentially qualify for a third bid of £20-£50m for a cross-boundary transport project though this would need to be agreed with Lancashire County Council who also potentially qualify as Transport Authority.
- Some projects which the Council is hoping to bring forward might be able to be advanced initially through the Community Renewal Fund (see 6.6 below).

6.3 Current position

Blackpool has far more potential schemes than the funds available but the eligibility criteria reduce what is possible. Preliminary discussions have started with both Blackpool MPs and the neighbouring authorities to establish their views. Projects that are already relatively worked up and can start in the 2021/22 year are a key requirement for the first round alongside the need to keep below the £20m limit and a 3 project limit. For a first round bid to meet these criteria would require a primary focus on the Blackpool South constituency although acknowledging that the town centre lies in both Parliamentary constituencies. Potential projects include those that did not receive support through the Future High Streets Fund process (such as the Post Office refurbishment for a boutique hotel, land acquisitions to support the major town centre office development and the Adelaide Street Transport Hub), the extension of the Quality Corridors scheme and public realm improvements towards Central Drive to continue the implementation of the Revue Masterplan, all present strong possibilities that will be assessed against the detailed qualifying criteria.

Other schemes would also be developed if Blackpool qualifies for a second bid once the criteria and timelines associated with that are known with a focus on the Blackpool North constituency.

Community Renewal Fund

- 6.4 The Community Renewal Fund will provide local areas across the UK with access to £220 million of additional funding as they prepare for the UK Shared Prosperity Fund due to launch in 2022. It is targeted to help to level up and create opportunity across the UK in places most in need in a manner distinct but complementary to the Levelling Up Fund.

The Investment priorities should nurture innovative thinking and offer flexibility. Projects may align with one, or deliver across several, of the following investment priorities:

- Investment in skills
- Investment for local business
- Investment in communities and place
- Supporting people into employment

6.5 **Key points**

- Blackpool Council, as lead authority, is required to invite project proposals from a range of local applicants, including community sector organisations, umbrella business groups and local education providers including universities etc.
 - The Council must appraise these projects and prioritise a shortlist of projects up to a maximum of £3 million with a bid deadline of 18th June 2021.
 - 90% of funding is revenue funding. Match funding is encouraged but is not mandatory. A minimum of 10% of costs to be used towards scheme monitoring and evaluation.
 - A range of projects by theme and size can be submitted but it is encouraged that to maximise impact and deliverability, larger projects of £500,000+ are submitted.
 - All project activity must be able to be completed by March 2022.
 - Successful bids will be notified “late July onwards” which means that projects will have to be delivered within a maximum of 8 months.
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6.6 **Current Position**

As noted above, it is proposed that the Town Deal Board and its sub group, the Town Deal Investment Panel, provide the overarching assurance for the bid submission subject to the Executive’s final approval.

Owing to the requirement to approach community stakeholders and organisations and the broad range of funding themes, a corporate group of Council officers was brought together to form the Community Renewal Fund Project Team to develop a compliant process. This includes:

- Growth and Prosperity Team (overall coordination)
- Corporate Delivery Unit (community engagement and net zero/low carbon)
- Economic Development (for business and skills)
- Adult, Community and Family Learning (skills)
- Economic Development Arts Team (culture and heritage)
- Public Health Directorate (community engagement and equalities)
- Strategic Housing Team (community organisation knowledge and engagement)
- Adult, Community and Family Learning (skills, adult education, NEET)

Additionally, a consultancy (Ekosgen) has been appointed from a Council Framework Panel to provide scheme development, appraisal and bid development support. The capacity funding made available by the Government will be used to cover their costs.

In view of the tight timescales the Community Renewal Fund Project Team has now reviewed with stakeholders the project application template, added local priorities to the Government-determined assessment criteria, and set in train a process of widespread dissemination of the opportunity using the Council's website, social media and partner networks to ensure those eligible to bid are made aware of the opportunity.

The timetable allows project applicants up to 4 weeks to develop a bid submission and sufficient time to undertake appraisals, due diligence and final bid completion

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|---------------------------------------------------------|--------------------------|
| • Launch on Council website | - 26 th March |
| • Bid Application responses by | - 23rd April |
| • Appraisal of bids | - 26 April-5th May |
| • TDIP Panel provided with summary of proposed projects | - by 10th May |
| • Town Deal Board progress update | - 14th May Board |
| • Lead Authority Bid development | - 14th – 31st May |
| • To provide the TDIP Panel/CLT with an early draft bid | - w/c 31st May |
| • Town Deal Board/Executive sign off (under delegation) | - w/c 7th June |
| • Bid submission | - w/c 14th June |

6.7 Management and Governance Arrangements

Should the Council be successful with its bid, it is required to directly enter into funding agreements with local successful bidders (possibly including any Council-led projects). The role will also require undertaking claims, monitoring and assurance activity. Further work is to be undertaken to understand the organisational implications of this

As the accountable body, Blackpool Council will retain overall responsibility for the delivery of the projects with reports to the Corporate Leadership Team, Executive and Government as required.

6.8 Does the information submitted include any exempt information? No

7.0 List of Appendices:

Appendix 5a: Levelling Up Summary

Appendix 5b: Community Renewal Fund summary

8.0 Financial considerations:

8.1 Without Levelling Up or Community Renewal Funding, the schemes would not be pursued. Where any co-funding is required, this has already been provisionally agreed.

8.2 Where projects will be delivered by external partners, a funding agreement will be require confirmation of co-funding. Claims would be only paid retrospectively based on evidence of activity and spend defrayment.

8.3 Further work is to be undertaken to understand the organisational impacts of the Council's responsibilities for contracting, claims handling, and monitoring and evaluating activity with finance, legal and audit.

9.0 Legal considerations:

9.1 As noted above, where funding may be provided to external providers, a legal agreement will need to be developed and monitored accordingly.

9.2 Further work is to be undertaken to understand the organisational impacts of the Council's responsibilities for contracting, claims handling, and monitoring and evaluating activity with the Council's finance, legal and audit teams.

10.0 Risk management considerations:

10.1 With all major schemes there are risks, and each scheme will have a risk assessment developed and allocated to it.

11.0 Equalities considerations:

11.1 There are no equalities issues with the programme outlined. With regards to Levelling Up fund projects which are capital based, where any development requires new build or redesign e.g. full equalities and accessibility requirements will be taken into account at the design stage. The Community Renewal projects by their very nature will be targeted "at all" but equalities will be assessed as part of the appraisal process.

12.0 Sustainability, climate change and environmental considerations:

12.1 Reducing the impact of climate change and ensuring sustainability will be taken into account as projects need to evidence how they will work towards the aims of the government “Net Zero” policy as a requirement of the bid submissions.

13.0 Internal/external consultation undertaken:

13.1 With the Levelling Up Fund the Town Deal Board and its engagement processes provide an established method of consultation on projects.

13.2 The Community Renewal Fund, by its very nature of requiring widespread promotion of the fund will be able to provide evidence of engagement.

14.0 Background papers:

14.1 None.

15.0 Key decision information:

15.1 Is this a key decision? No

15.2 If so, Forward Plan reference number:

15.3 If a key decision, is the decision required in less than five days? N/A

15.4 If **yes**, please describe the reason for urgency:

16.0 Call-in information:

16.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No

16.2 If **yes**, please give reason:

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE

17.0 Scrutiny Committee Chairman (where appropriate):

Date informed: 31 March 2021 Date approved:

18.0 Declarations of interest (if applicable):

18.1

19.0 Executive decision:

19.1

20.0 Date of Decision:

20.1

21.0 Reason(s) for decision:

21.1

22.0 Date Decision published:

22.1

23.0 Executive Members in attendance:

23.1

24.0 Call-in:

24.1

25.0 Notes:

25.1